

STATEMENT OF EMERGENCY  
806 KAR 17:490E

(1) On December 8, 2003, President Bush signed Public Law 108-173, known as the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA). MMA included provisions amending various federal statutes relating to Medicare and federal taxation. In part, these amendments allow individuals to receive tax benefits beginning with calendar year 2004 by subscribing to a high deductible health plan and by enrolling in a health savings account. In part, MMA was intended to encourage uninsured individuals to purchase health insurance; typically a high deductible health plan is less costly. Without immediate clarification of the Kentucky Insurance Code, insurers offering health benefit plans in Kentucky are prevented from qualifying their high deductible product type as high deductible health plans under federal law. Without immediate clarification, Kentucky citizens are not able to take advantage of this substantial federal tax benefit or the increased availability of affordable health insurance and insurers are not able to offer their products as high deductible health plans.

(2) In order to prevent an imminent threat to the public welfare, in that the public will be unable to access affordable health insurance and the tax benefits created under MMA without immediate clarification to the Kentucky Insurance Code provided by this emergency regulation, it is necessary to promulgate this emergency administrative regulation.

(3) This emergency regulation shall be replaced by an ordinary administrative regulation. The ordinary administrative regulation was filed with the Regulations Compiler on \_\_\_\_\_.

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Ernie Fletcher, Governor

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Date

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LaJuana S. Wilcher, Secretary  
Environmental and Public Protection Cabinet

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Date

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James Adams, Commissioner  
Department of Public Protection

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Date

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Glenn Jennings, Acting Executive Director  
Kentucky Office of Insurance

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Date